

Low-Income Housing Tax Credit (LIHTC) Allocations Supporting Infill Development

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2003 Affordable Housing Survey Summary

Funds Typically Used w/ LIHTC:

- Redevelopment Set-aside, some in-lieu fees, HOME funds and fee waivers

Barriers to Using LIHTC w/ Other Resources:

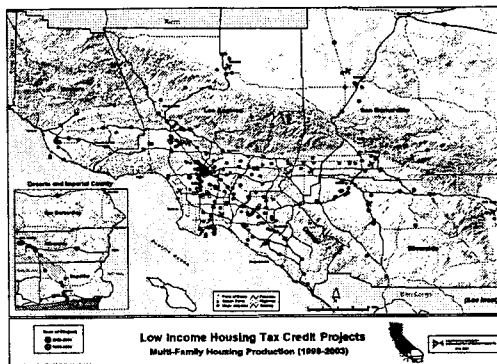
- Process is complicated
- Reserve use of LIHTC funds for use with other federal sources and lowest income projects

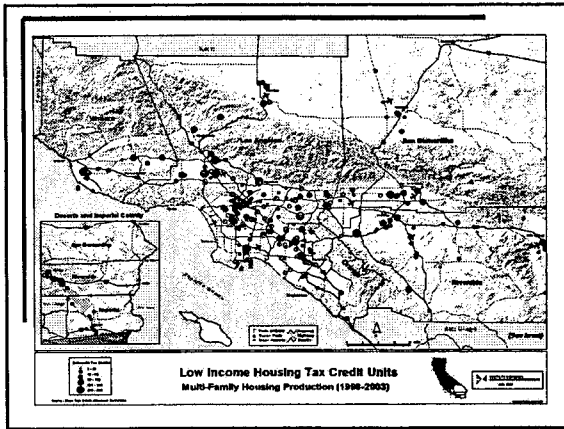
New Programs for leveraging LIHTC Funds:

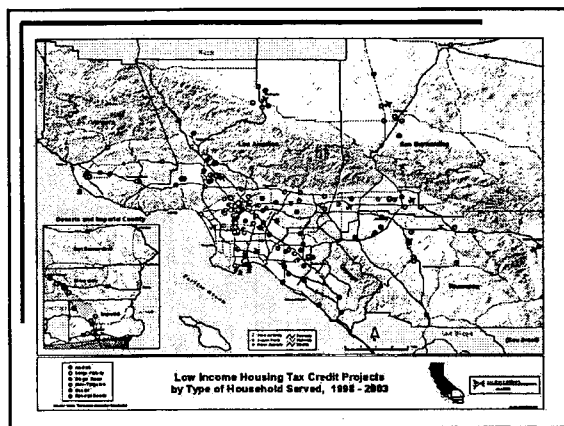
- California Prop 46 Funds
- In-lieu fees from a local inclusionary housing ordinance or housing trust funds

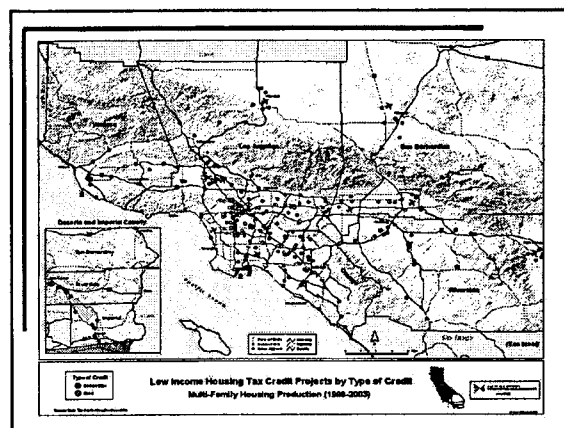
Observations about using LIHTC Funds:

- Layering is difficult and competition for credits is intense
- Need to be able to build condos due to cost of single-family homes









Development Trends

PROJECT LOCATIONS

- Rental projects with Tax Credits Are Centered in the Greater Los Angeles Area
- Most Projects are in or Near Low-income Areas with Relatively High Poverty Levels and Near Transit
- Suburban Developments Tend to be Bond Financed to a Greater Degree than Projects in the Older Urbanized Area

UNITS USING TAX CREDITS

- Suburban Developments Contain More Units than Inner City Projects and Located Near Freeways
- Suburban Developments are in Areas Predominantly Served by Single-Family Building Activity

Preliminary Findings

- Tax Credit Bond Transactions or with 4% Deals use more Local Resources to Meet Gap Financing Needs
- The Competitive 9% Tax Credit Projects more Project Financing Resources so subsidy Needs are Less
- Bond Related Projects Represent Approximately seem to Represent Half of all Recently Built Projects
- Local Redevelopment and Federal Housing Funds are Key Resources

Questions?

Thank You